WRITTEN ANSWERS TO QUESTIONS

Crisis in capital goods industry

*224. SHRI V NARAYANASAMY: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have recently received any representation, stating that the capital goods industry is in a crisis;

(b) whether high cost, inadequate modernisation and liberal import policy are considered to be the main reasons for the said crisis; and

(c) if so, what steps have been taken by Government to save the capital goods industry?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) and (b) According to the Index of Industrial Production Capital goods sector has shown a growth rate of 10.6 per cent in 1985-86 and 18.2 per cent during 1986-87. This is higher than the overall growth rates recorded by the industrial sector. The industry represents to the Government, from time to time, its difficulties and suggestions which the Government takes note of, while formulating the policy.

(c) To give a further boost to the Capital Goods sector, Government have taken a number of measures including enhancing their capabilities to face international competition through suitable changes in industrial and fiscal policies, encouraging schemes of modernisation and technology upgradation and providing assistance for adequate availability of inputs at reasonable prices.

Government has given significant relief/protection to indigeous capital goods industry in terms of raising customs duty on imported capital goods, concessional duty on imported equipment required for modernisation of selected capital goods industries, existing import of second hand machinery older than 7 years and removal of certain capital goods items from OGL. Term lending Financial Institutions have recently introduced a special scheme for technological upgradation and modernisation of selected capital goods industries.

Shifting of headquarters of public undertakings

*226. SHRI J P. GOYAL: Will the Minister of INDUSTRY be pleased to state:

(a) what are the names of the public undertakings under his Ministry which are having their headquarters outside Delhi,

(b) whether their is a proposal to shift the headquarters of all or most of the public undertakings from Delhi to other places to help ease the accommodation and congestion problem; and

(c) if so, what are the details in this regard?

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): (a) The names of Public Sector Undertakings under the Ministry of Industry which are having their headquarters outside Delhi are given in the enclosed Statement (See below).

(b) and (c) There are 8 Public Sector Undertakings under the Ministry of Industry whose headquarters are located at Delhi These are, (1) Bharat Heavy Electricals Ltd.; (2) Bharat Leather Corporation Ltd.; (3) Cement Corporation of India Ltd, (4 Engineering Projects (India) Ltd; (5) Maruti Udyog Ltd.; (6) National Industrial Development Corporation Ltd.; (7) National Small Industries Corporation Ltd; (8) Hindustan Insecticides Ltd.

The question of shifting the headquarters of these Public Sector Undertakings was considered recently and due to various reasons it was not found possible to shift the headquarters of these PSUs.